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The Future of International Trade

By M. Zvegintzov

IF we admit that human nature, as expressed by producer, trader and consumer, is, in most parts of the world the same—i.e., always seeking an opportunity for economic activity and advantage—then it can be argued that the long-term trend is favourable for a re-birth of wider economic relations. In spite of formidable difficulties, there has been no conclusive evidence, so far, to refute this basic view. The object of this article is to analyse the new conditions ruling in the world and to try to outline a constructive approach to the problem of maintaining and expanding international trade. This implies that the question must be discussed from the widest possible angle. There is to-day a growing tendency to treat individual areas or special problems by themselves. This both leads to exaggeration and also in some cases causes them to be regarded as "crisis issues." Such an attitude is to be deprecated, not only because it leads to useless or even harmful defensive or offensive measures, but still more because it obscures the many extremely important general factors which provide the keys to the best long-term policy.

In view of the wide field necessarily covered, it may help to begin with an outline of the scope of the discussion. Among the results of the great depression of 1929-32 was a tendency of certain countries to regard themselves as "have-nots." Not all these countries have maintained that attitude until to-day, for some have benefited from the

1932–37 recovery sufficiently to restore at least in part their previous faith in the economics of freer trade. Other countries, however, have adopted and developed the newer concept of totalitarian economics, based on regulation and national planning, and combined with a growing desire for self-sufficiency. The result is that from the economic aspect the world has become divided into two groups.

On the one side, the totalitarian countries are vigorously prosecuting and extending their policies of self-sufficiency within a closed system of rigidly co-ordinated units. On the other side, the freer trading countries are trying to mobilise their vast resources of accumulated capital, world-wide connections and commercial and financial technique, in order to defend their positions and to develop and make more flexible what is left of "normal" trade. The contrast between these two trends is now being brought to a head by the increasing difficulties of the totalitarian countries, due, apart from political aims, to the rigidity and lack of liquid reserves inherent in their economic structures. In particular the difficulties of the totalitarian countries find expression in their attempts to develop the manufacture of substitutes. This point is discussed in a later section of this article.

The real need is to enable both systems to exist side by side and to interchange goods with each other to their mutual benefit. This can be readily illustrated. In Great Britain we have recently become cognisant of the threat to our markets from the monopolistic and exclusive methods of totalitarian States. But it is surely wrong for us either to be stimulated into activity to help our foreign trade by a sense of danger in some particular area, or to be spurred on solely by a desire for defence or even retaliation. The potentialities of given territories for trade development have always existed, and positive economic arguments in favour of such development carried even more weight in politically less difficult times. Yet for some reason we who above all nations benefit most from multilateral trade and, therefore, from the extensive use of trade and development credits, embarked some years ago upon a policy of bilateral treaties. In doing so we obstructed the possibility of development in composite areas, parts of which were mutually complementary, and the whole, severally or collectively, complementary to a number of other world markets. While in financial circles arguments were still heard

against "tied loans" because they were said to destroy the value of London as a free money market, actually the London money market was being steadily destroyed by trade restrictions and bilateralism. At the same time a system of "export credits" grew up until the idea of the "tied loan" is now actually the basis of trade development (especially in semi-developed areas), although economic and especially political conditions are now much more difficult. The Ottawa system created the nucleus of the Sterling Area; yet, although this was enlarged by the addition of several other countries, we never could bring ourselves wholeheartedly to apply these principles and lessons to wider areas by abandoning either some of our insistence on the priority of Empire trade or our faith in bilateralism. Fortunately a beginning has now been made in the Anglo-American Treaty, some of the implications of which will be examined later.

In the meantime, Germany has learned a lesson from our example, for she is now trying to build up a "mark area," using as her main technique bulk purchasing and selling, credits, long-term investment, etc. It is an error to suppose that Germany's methods are in the long run intended to be rigidly bilateral. Such narrow agreements as she makes with other countries are only a first step towards the creation of a homogeneous area, the constituent parts of which are complementary, while the *net* exporting and importing capacities of that area may be used in other world markets. Obviously such an area need not be contiguous to Germany. It is also necessary to appreciate the real function of blocked balances, barter arrangements, and all the other instruments of German trade. Germany desires to co-ordinate and develop the other territories in the mark area which she is trying to form, and to do so in such a way as to meet her own industrial and other requirements. She can only do so by investing her own capital in those territories in the form of marks, and the use of these instruments is a ready means of inducing those countries to accept capital in that convenient form.

So far the general position, together with its bearing upon British commercial policy and German commercial methods, has been examined. The next task is to discuss certain

fundamental aspects more closely. First there is the desire of certain countries for self-sufficiency. This desire is fundamentally unnatural, for in a period of general economic revival most people desire to return to more normal economic relations. Therefore, to make self-sufficiency acceptable to public opinion, the proper atmosphere must be created, and such an atmosphere is comparable with that existing in a country in times of war. This analogy can be carried still further. Undoubtedly modern industrial technique and organisation can mitigate the costs of economic nationalism and make feasible what, even ten years ago, would have been impossible. This is true, even if many plans may be so ill-conceived and faulty in execution as to cause major damage in the long run. The real analogy with " war psychology " is that during a war-time effort, when costs, etc., are irrelevant, a tremendous advance in invention and development does, in fact, take place. With all the waste of the Great War a whole series of major developments were achieved which altered profoundly the course of post-war economic progress. (It is probable that given peace these developments would have ultimately been achieved—but it would have taken much longer.) This is equally happening to-day in the countries striving after self-sufficiency to-day, and we must recognise that remarkable technical achievements have been and are taking place in those countries.

As a prominent example, there is the invention and use of substitute materials. Let us leave on one side the question of their cost. What is of greater interest is their influence upon the course of international trade. In the first place, the range of products for human consumption is increased by the invention of substitutes, because, viewed broadly, the majority of so-called " substitutes " are in reality new products with properties and uses which may or may not give them an outlet alongside the older materials. As examples may be cited the competition of plastics with non-ferrous metals and the use of the two in combination. We may also mention the use of new fibres for textiles, both by themselves and in combination. Incidentally, in countries with " normal " economic systems, the success of these new materials depend on their qualities or appearance, and cost is a relatively secondary factor. Some of the " substitutes," in fact, have already established a position for themselves. But apart from the increase in the variety of products entering potentially

into world consumption, the nature and volume of the raw materials needed to produce them are highly important factors in world economy. Thus, plastics require very large amounts of coal distillation products, while cotton and wool fibre " substitutes " need cellulose pulp and chemicals as their raw material. " Artificial wool," for example, is not a substitute raw material at all. It is merely the result of changing over from one raw material—sheep—to another—timber. Quite apart from these direct raw material needs, the manufacture of " substitutes " usually requires complicated and large-scale plant, which itself means the consumption of further raw materials. Finally, there is the question of capital investment and skilled labour. Neither of these may be important in a country already highly developed and operating under conditions analogous to " war economy," but both profoundly affect the external repercussions. Inasmuch as countries differ widely in their supplies of raw materials, the same systems of self-contained industries cannot be applied in all cases. A substitute fibre industry, for instance, cannot be developed if supplies of cellulose pulp are lacking, nor can a plastics industry be developed without coal. Again, a country with only a moderate technical development and with a lack of skilled labour will find the creation of a complicated " substitutes " industry extremely difficult, even if the necessary raw materials are available. This is precisely what even Russia—with all her vast natural resources and unskilled man-power—is experiencing now.

This example shows that, apart from a very few highly-developed countries which might achieve a degree of self-sufficiency through isolation, the majority of the nations of the world can, as in the past, only develop their own economic activities by, paradoxically enough, the exchange of goods and services; for this is the only way in which they can import the necessary capital equipment, technique and skilled personnel, as well as certain raw and semi-manufactured materials. Obviously they must export as well as import. This process has actually been taking place. Countries which have been developing their own industries, as well as carrying out public works programmes, have been enabled by the recent world recovery to widen and accelerate their activities mainly because recovery increased their power to sell, and therefore to buy abroad. Admittedly rearmament activity has con-

tributed to these developments, but not to the exclusion of the other factors. For most countries, therefore, home development and external trade are necessarily complementary.

There are, however, a few countries which seem definitely set on complete autarchy. It has been suggested that once they have successfully developed their "substitutes" industries, they will export the products of these industries to the detriment of the older trades. The answer here is that exports imply imports, and so any development of this kind would *ipso facto* bring these countries back into the orbit of world trade. Furthermore, their goods would have to compete in both quality and price in the world's markets as long as the latter operate on "normal" lines. The difficulties which Germany is now experiencing in certain areas, which she has forced into rigid bilateral agreements with her, is a warning of what may happen if the above principle is ignored.

Although totalitarian countries possess certain initial advantage in developing systems of self-sufficiency, there are also certain formidable inherent disadvantages. First, the mobilisation of effort for the huge capital development necessary for the attainment of self-sufficiency is a severe drain on the national income. Therefore, not only is the consumer's choice restricted in the closed system which is being built up, but the standard of living is actually reduced. This concentration on capital development dislocates the manufacture and supply of consumption goods, and makes foreign trade, even if strictly regulated, increasingly difficult. The reason is that the type of products required from outside markets are not always available in sufficient quantities, while the export of capital goods is severely handicapped by the demand at home. Meanwhile excessive capital development throws an enormous strain on labour, the raw materials supply and industrial plant, all to the detriment of more productive activities. As marginal resources are employed, and safety, quality, and maintenance standards reduced under pressure of necessity, so replacement and obsolescence demands go up at an alarming rate—just at a time when the size and quantity of extremely complicated and costly plant is also being increased. Furthermore, as the limit of the resources needed for capital development is approached, finance needed for the opening up of territories for the expansion of trade and the supply of the necessary

materials becomes increasingly difficult to find. This means that a vicious circle tends to be created. The problem, in fact, reduces itself, in one form or another, to a lack of liquid capital reserves, because only if such reserves are available can the technical and commercial resources needed for home development be obtained where they are most readily available. This essential fact is insufficiently appreciated in considering totalitarian economics.

This last is a point of some importance, and not only for the totalitarian countries. It is the possession of these liquid capital reserves and of the means of using them which gives the freer-trading countries their inherent strength. This fact is implicitly recognised by the often-repeated complaint of totalitarian system countries that they are being driven into autarchy because of their external debt problem, and their inability to obtain new credits. The real point, however, is that liquid resources constitute the basis of the long-term policy, and should not—as is sometimes advocated—be prodigally used in almost panic attempts to stave off attacks in this or that field. We shall return to this point later, for the availability and proper use of liquid resources is in many ways the kernel of the main problem. Meanwhile it is convenient to add here a brief comment on certain possible immediate defensive and retaliatory measures.

The use of *subsidies* has been advocated, but in a relatively free economic system like that of Great Britain, it is extremely complicated and also has grave disadvantages. First, in a totalitarian system, all risks and losses are pooled and the resources of the State are available. This, of course, is only possible with complete State control, which neither exists nor is desired in Great Britain. Secondly, the proper amount of subsidy in individual cases is often impossible to determine, and so the " fighting fund " of an industry in a free economy can never be used to its best advantage. There are also a number of formidable internal difficulties. First, in some industries, subsidies would tend to perpetuate inefficiency. Next, individual firms might, owing to the nature of their output, benefit differentially within a given industry. Third and most important, funds derived solely from industrial sources would certainly be inadequate, and so would have

to be supplemented from national funds. This postulates a high degree of organisation both within and between industries, and also some sort of Government control. This implies a form of regimentation and fundamental change in the mechanism of trade, which would certainly arouse strong opposition and might resolve themselves into not very efficient imitations of totalitarian structure and methods. For all these reasons, an *ad hoc* loan or credit would be the most practicable form of subsidy.

Another weapon is stronger organisation on "Cartel" lines. This is certainly an effective method, as has been proved in the past, but it has two serious dangers. "Cartel" members in totalitarian countries are, whenever necessary, the instruments of their Governments. In such cases the Government is able to employ all the resources of the State (not only purely economic) in operating the "Cartels" to its advantage, with the result that the members concerned are, in effect, neither free agents in negotiation, nor necessarily reliable signatories. The next danger is that "Cartels" often aim at maintaining a high level of price—and thus actually tend to restrict international trade and encourage autarchy, rather than the reverse. These objections apply less to many of the primary products "Cartels," and I show later that these may have a useful part to play. These, however, are just the kind of "Cartels" in which totalitarian countries are primarily interested as consumers, and which they tend to make the subject of grievances. These dangers attendant upon the cartellisation of industries suggest that the remedy is a much greater disclosure to the Government and the interested public of the aim and structure of "Cartels." In this way approval would be won for them in the freer-trading countries, and it would also be legitimate for them to receive greater Government backing of them in the international field.

I now come to the main question of a long-term policy for international trade. Here the first point is that any such policy must first and foremost be based on the use of liquid capital resources, in the form of credits, etc.

Now it is important to distinguish between three kinds of long-term credits. There is first the old-fashioned loan, which, under the old system, meant that trade followed it.

At present, when many currencies are artificial, it would probably result only in a strain on the exchanges, to be absorbed by an Exchange Equalisation Account. Such loans are, for most practical purposes, dead—except either for the special cases of stabilising an exchange, or for a political reason. The second type of credit is one linked to the export of goods—mostly goods of a capital nature. The third type is the most desirable of all, namely, credits linked to exports, but with a parallel organisation for selling the goods and services of the borrowing country in the markets of the world, including in the first instance, but not exclusively, that of the lending country. This type is truly self-liquidating and is also peculiarly suited to the resources and facilities of the great freer-trading nations. In Great Britain the Export Credits Guarantee Department has successfully exploited the second type, and is now beginning to pay increasing attention to the third. Unfortunately it is just here that serious difficulties arise, because the aim of Governments is to push exports and restrict imports, whereas for the third and best type of credit an efficient marketing organisation for importing goods from the borrowing countries is equally required. In fact, it would seem logical for the Department of Overseas Trade not to be interested only in export but also in import trade.

Again, to-day the Export Credits Guarantee Department fulfils only part of the necessary function, because it covers effectively only the credit risk, whereas for most traders the transfer and exchange risks are often much more important, and here they are covered by the Department only to the extent of a few months after the sale and shipment of the goods. Under present conditions it is probably wrong to insist that the Export Credits Guarantee Department should be operated on a strictly commercial basis. On the contrary, it should be prepared to take a large part of the transfer and exchange risk, in co-operation with banking organisations and backed, if necessary, by a national pool. Such an arrangement would have to be co-ordinated with the working of clearing or payments agreements. At present, however, attention is being so concentrated on clearing the arrears of old blocked balances (c.f. the Anglo-Turkish Agreement) that even if fresh credits are available they are not used wholly for the development of new trade. It would, probably, have been advantageous to British trade, if most of such blocked arrears due to British

exporters and others had been funded by means of *ad hoc* loans, at the same time as mechanisms were set up for providing credit for new trade. Opportunities for this are still available, and money expended in this way might well do more to clear the decks for new trade than the same amount used for ordinary export credits under the present system.

The other chief use of liquid capital resources is that of assisting countries exporting primary products and semi-manufactured goods. These countries want first and foremost a reasonably stable market for their produce, with freedom to use the money received for their exports in those ways which suit them best. Long-term contracts at fixed prices within a rigid totalitarian system provide no solution of their problem, because in such a system currencies are unreal and "prices" simply do not exist. All that a producer entering into such a contract secures is the right to buy over a period, goods, the quantity, variety and quality of which are absolutely determined by the master-country of the particular totalitarian system. It is here that liquid capital and the availability of free markets and technique are of pre-eminent value: by a skilful international co-ordination of bulk buying and placing on suitable markets the produce of weak primary and semi-developed producers, permanent or temporary surpluses and deficiencies could be evened out. The main difficulty here is that the financially strong countries must reconcile themselves to an increase in their imports, notably in those of foodstuffs.

This brings us to the next point. Another highly important aspect of long-term policy is the organisation of trade by Governments. The two main guiding principles of British trade have hitherto been Imperial Preference and the Most Favoured Nation (M.F.N.) clause in the unconditional form. These two principles are somewhat contradictory, in that the Ottawa Agreements provide for what, in effect, is a Low Tariff Club, which excludes the M.F.N. principle on the plea that the latter applied only to "foreign" countries. Again, the British Government has, hitherto, steadfastly opposed any move towards a Low Tariff Club (i.e., the Ouchy and Oslo Conventions), because it conflicted with the pure doctrine of M.F.N. Even this attitude, however, was not strictly logical, as certain exceptions were recognised, e.g.,

the relations between Spain and Portugal, Brazil and Portugal, and others.

The main reason advanced in defence of an apparently illogical attitude was that the United States insisted on the unconditional M.F.N. principle, and British commercial policy should endeavour not to run counter. This, however, is somewhat misleading—as is becoming clear now that the Cordell Hull policy of Trade Treaties has taken shape, and has been, as it were, crowned by the Anglo-American Trade Agreement. The real point is that there are, really, three kinds of M.F.N., and not two, as is popularly believed. First, there is the unconditional, or old-fashioned form. This has been much reduced in value by the growth of import quotas, blocked currencies, etc. The second is the conditional form, which is only granted item by item, in return for equivalent concessions. This is very difficult to work and gives rise to endless disputes. The third is the qualified unconditional form, as used by the United States to-day. This gives full reciprocal treatment, *provided* any country does not discriminate in its trade methods, and this proviso holds whatever the nature of such discrimination may be. If discrimination exists, then the benefits of M.F.N. are withheld. The most prominent example is the exclusion of Germany by the United States from the benefits of M.F.N. afforded under the Anglo-American Trade Agreement. This is an extremely powerful weapon because it raises the question of the basic principle of a country's attitude to trade, without any reference to details, which only complicate the main issue. Its use might well be considered by the British Government, because it is the automatic way of using the tremendous purchasing power of our market.

It may be suggested, therefore, that British commercial policy should be developed on the lines of co-ordinating the various groups of countries, which are actually or potentially complementary, into more homogeneous systems. The Anglo-American Trade Agreement has, perhaps, provided the first step in this direction. First, the Agreement is definitely a breach in the exclusiveness of Empire trade, because it provides for the co-ordination of Empire and Anglo-American trade. Next, the Anglo-American Agreement opens the door to a wider use of the M.F.N. clause of the American type. A gradual building-up of complementary groups, both through natural economic ties

and by the encouragement of trade and the provision of development credits, should be aimed at. This will take time, but is an organic process and generates its own vigour as it proceeds. There is, perhaps, an even more important possibility. Inasmuch as some of such groups are spheres of interest both for the freer-trading and the totalitarian nations, the areas in question would provide a fruitful field of co-operation in the matter of credits and joint development for the two types of countries, freer-trading and totalitarian, thereby establishing gradually a link between the systems, without raising the cry of "lending money to the dictators." Such co-operation would have to be on "a fair basis." Moreover nothing would be gained by deciding beforehand that this or that area is the "exclusive preserve" of any one country, because that would imply once again the division of the world into trade-tight compartments.

In conclusion it may be legitimate to envisage a world in which an increasing exchange of certain essential raw materials, capital goods and technical services could take place, with the object of developing each country in the way best suited to its natural resources and available human material. This must involve export of capital, in the form of equipment and skilled personnel, on a large scale, as well as the availability of certain basic materials to enable large long-term industrial development schemes to be carried out. For raw materials the creation and functioning of international industrial agreements (loosely known as "Cartels") have undoubtedly enabled supplies to be made readily available. The Cartels are also learning by regulating prices to exercise the salutary steadying psychological effect in a world highly susceptible to panics. But if the machinery of raw material control, as well as of development construction, is fairly well advanced, that of the investment of capital and the provision of expert personnel seems to have broken down, in that pre-war methods are inadequate, and a new technique has not yet been devised. For this the problem of money transfer seems largely to blame; and this is the final problem which we must face. We see on the one hand the immense difficulties facing any big scheme of capital development in countries where currency restrictions, etc., exist, or even where there

is a fear that they might exist—i.e., in most of the countries which require such capital development. Consequently, any such scheme involves intricate and lengthy negotiations and sometimes quite extraordinary devices for making the necessary facilities available. On the other hand, we have vast (and growing) accumulations of liquid capital, either pouring into such stock markets as show for the moment the best prospects, or hysterically seeking refuge from a danger which is sometimes real but more often imaginary. Both these factors, but especially the latter, are immensely powerful causes of instability, if only because by the sudden and unpredictable movements of such capital the very dangers which the owners of that capital fear tend to emerge, and also because Governments are forced to pay more attention to coping with it, than to tackling the more fundamental problems of trade development.

It is, however, possible to suggest a means of escape from this problem as well. It has been said with some justice that these accumulations of liquid capital represent the equivalent of working capital for foreign trade of the autarchic countries—so that if a "marriage" could be arranged, the restoration of more normal world trade would not be so difficult. This probably would be true if the other factors, outlined above, are taken into consideration: but it is quite useless to try and tackle the problem only at this end. Between the two extreme theories of trade, liberal and totalitarian, there are many countries too weak to be wholeheartedly independent, but who have not yet quite made up their minds. It is through these countries that the links may be formed—because both main groups are trying to draw them (consciously or unconsciously) into their respective orbit. The freer-trading nations are reluctant to adopt conditions analogous to war-time economics, but are beginning to realise that some of their cherished prejudice must be abandoned or modified. The totalitarian States are increasingly aware of the difficulties inherent in their systems. The machinery of co-ordination is not difficult to find: but before it can be used all attempts to develop economic systems akin to those necessary in times of war must be abandoned, because in that way alone can mutual confidence—on which all trade is based—be built.

January 15th, 1939. M. Zvegintzov.

Economic Conditions at Home and Overseas

Business at home has shown no definite trend since the New Year. There is no indication of any recovery, but there is equally no fresh deterioration. One or two industries were affected by the general feeling of nervousness over the international outlook, which was prevalent until nearly the end of the month, but this should be a temporary phase. There is also a growing volume of activity in those trades engaged on rearmament and A.R.P. orders. Otherwise it is difficult to detect any movement either upwards or downwards.

Christmas trade seems to have been reasonably active. After allowing for foreign dishoarding during the past year, the note circulation appears to have been higher than at Christmas, 1937, and last December's postal receipts were also higher than in the previous year. The December retail trade returns confirmed this impression, for they registered an increase of 1·9 per cent. in value on the previous year. The December employment returns of 11,452,000 were slightly better than those of 11,428,000 for November. All this evidence points to the maintenance of the spending power of the public, in spite of the recession which began well over a year ago. On the other hand, January recorded a decrease of 184,000 in employment, but this was partly seasonal, and partly due to the bad weather, which restricted outdoor employment on the day of the count.

The coal trade has recently been less active. The cold weather brought with it a better demand for house coal, but in some areas this was more than offset by a shrinkage in the demand for industrial fuel. The new Coal Agreement with Germany is welcomed by many exporters. Glasgow, however, reports that the home demand is interfering with export business. There was a heavy decline in iron and steel output during December. This partly because orders were then being deferred pending the New Year price reductions, but January has at the best witnessed only a moderate improvement in demand. Birmingham reports that it is now easy to obtain delivery of all kinds of steel, while business at Glasgow is quiet, apart from the receipt of new A.R.P. orders for galvanised sheets and steel channels. Engineering remains active, and makers of electrical equipment are very busy. In the shipyards there is a marked contrast between those engaged

on Admiralty work and those normally engaged on building commercial tonnage. The former are very busy, but the latter are rapidly approaching a state of depression only comparable with that of 1931–34.

Building plans passed in December showed a reduction of 30·6 per cent. below those passed in December, 1937. These statistics exclude Government contracts, and so do not provide a wholly accurate indication of the state of the industry. One explanation of the year's big drop may be that there has been a reluctance to invest in house property, so long as the war risks insurance question remained unsettled.

In spite of the maintenance of house purchasing power, the chief consumers' goods industries are none too well placed; but these difficulties are largely due to the recent falling-off of export business. Lancashire cotton mills are only working at 50 per cent. of capacity, and Manchester reports that while early in January the enquiry for piece-goods was broadening, new business in yarn and cloth was very limited. At Bradford there has been a fair business in fine hosiery yarns, but the manufacturing end of the wool textile industry was disappointing. The rayon industry has been dull, but the jute trade has become more active, partly because of the rise in raw jute prices and partly because of rearmament demands for sandbags. In the boot and shoe trade Bristol reports some improvement, but at Northampton enquiries are more plentiful than firm orders.

Among more general indications of the state of trade, the demand for industrial chemicals became less active in December. The output of electric power rose sharply, but this may have been due to the cold weather. Railway goods traffic receipts continued to fall during January. The recent weakness in wholesale prices is discussed on a subsequent page. December witnessed a slight and entirely seasonal decline in the cost of living. The December overseas trade returns were not quite so good as those of November, and there was also a contraction in shipping entries and clearances. Shipping freights remained weak, and Cardiff reports that ships are still being laid up.

As regards overseas conditions, the United States recovery made further progress in December, but there have been signs of a slight check since the New Year. According to the National Bank of Australasia's report, the Australian wheat

harvest is normal, but wool returns are below those of last season, and a heavy decline in butter production is indicated. There is little change in Canadian conditions, but the guaranteed price for wheat is of assistance to farmers. Activity is well maintained in South Africa. Rain is needed in many parts of India.

On the Continent, German industrial activity is maintained at a high level, and there was some evidence during December of a further improvement in France. Conditions in Belgium had also become better by the end of the year. There has been little change in Sweden since the New Year.

In South America, Argentina expects very good average crops of wheat, oats and linseed, but the maize crop has suffered some damage from drought. Recent rains, however, have improved the outlook. In Brazil coffee shipments from Santos during 1938 are the largest on record for a single year, but world prices remain low.

The general impression at the end of January was that 1939 has still to give evidence of any definite trend. Sweden reports that conditions seem to have become stabilised at their recent level, and this seems to be true of the world as a whole. Too much faith, however, should not be placed in a continuation of this apparent stability, for there are many forces at work beneath the surface. A lasting return of confidence in the political outlook, combined with a continuance of the American recovery, would make a big difference in the direction of an improvement. Meanwhile, all that can be said for certain is that there has now been little change either way for eight or nine months, and there is no tangible evidence that any such change will occur in the immediate future.

Notes of the Month

The Money Market.—The salient features of the money market during January were an abundance of money and a growing shortage of bills. The money borrowed from the Bank of England over the end of the year was finally repaid on January 9th, and during the whole of the month bankers' deposits have been remaining at a high level. One reason for this was that the banks' cash was reinforced by the return of the Christmas currency from circulation, for during January the note circulation fell from £488·1 to £463·8 millions. Again in spite of the influx of revenue, public deposits have remained low all the month. This shows that the money collected in taxation has at once been restored to the banks by means of the redemption of Treasury bills.

This last is the main cause of the shortage of bills referred to above. Whereas the weekly maturities of Treasury bills during January ranged from £35 to £50 millions per week, issues of new bills by tender during the month lay between £25 and £20 millions per week. The net result was a reduction in the total quantity of outstanding Treasury bills issued by tender from £488 to £411 millions. This decrease was mainly due to the redemption of the floating debt made possible by the heavy influx of revenue during the month. Admittedly it is a seasonal movement, but it is due to continue until March 31st, which is the end of the financial year.

At present, therefore, the discount market is noticing a shortage of bills, which is likely to last for the next two months. The immediate consequence of this has been to bring discount rates down to their former low levels. The clearing banks were ready buyers of Treasury bills during January at $\frac{1}{2}$ per cent., but the market did not always have sufficient bills available to meet the banks' needs. Three months' bank bills were quoted at $\frac{17}{32}$–$\frac{9}{16}$ per cent. These rates are so low as to leave practically no margin of profit over money borrowed at $\frac{1}{2}$ per cent. The decision, announced at the beginning of February, to revalue the Bank of England's gold in accordance with the current market price will have no effect either on the supply of money or the supply of Treasury bills.

Foreign Exchanges.—The transfer of nearly £350 millions of gold (valued at 140s. per fine ounce) from the Bank of

England to the Exchange Equalisation Account, referred to briefly last month, was accompanied by a series of measures designed to check speculative dealings in gold or foreign currencies. These have proved effective, for in spite of the recent nervousness which has affected markets in several centres, sterling has remained very steady, with the New York rate only varying slightly on either side of $4.67. The British authorities have not had to give much support, and they have at times gained some gold through re-sales on the London bullion market of gold bought forward towards the end of last year. Under the new regulations these forward contracts cannot be renewed. It is doubtful if there is now much refugee money left in London, while the autumn commercial demand for dollars ceased some time ago. These are additional explanations of the recent steadiness of sterling. The Paris rate has been firm at about Frs.177. The discount on forward francs is now no greater than is justified by the difference in interest rates between the two centres. A certain amount of nervousness was apparent in Amsterdam, accompanied by an outflow of capital to New York and also by some speculation against the guilder. This caused the sterling rate to rise from Fl.8·61 to Fl.8·68, but the Dutch authorities hold large gold reserves and have had no real difficulty in coping with this weakness of their currency. The unofficial rates for the various kinds of blocked reichsmarks were affected by Dr. Schacht's retirement, and moved to wider discounts. The general revival in confidence on the last day of January found reflection in the foreign exchange market, and the New York rate rose to $4.68. Guilders, however, were subject to wide fluctuations, and closed at Fl.8·69½. The improvement in sterling and also the irregularity of the guilder, and later of the belga, shows how the foreign exchange market continues to be dominated by the views taken of the political outlook.

The Stock Exchange.—Politics equally dominated the stock markets during January. Until the last two days of the month the prevailing note was one of nervousness. Prices consequently sagged, until in some cases they fell to levels only paralleled during the crisis days of last September. This atmosphere provided scope for bear operations, and a definite bear position in many securities had developed by January 27th. Herr Hitler's Reichstag speech, however, on the evening of January 30th, was regarded as justifying a

better feeling. There was an immediate recovery in all markets, which by the end of a few days was sufficient to offset the previous decline.

With all markets affected by this general atmosphere it is difficult to discover any special trends. In the gilt-edged market War Loan fell from 98⅛ to 96¾ between December 31st and January 30th, and recovered two days later to 98⅛. Two-and-a-half per cent. Consols fell from 70½ to 68⅝, rising on February 2nd to 70⅜. The movement in home rails and industrials, though similar, was wider. Here the recovery began on January 30th, as by then it was felt that any likely statement by Herr Hitler had already been discounted. There were heavy declines in gold-mining shares, as the prevailing nervousness was very noticeable in Johannesburg; but here again a sharp recovery had taken place by February 2nd. The oil, rubber and base metal markets followed much the same course.

In spite of the weakness during most of January there is some evidence of a firm undertone. The Southern Railway's issue of £7,500,000 of 4 per cent. Redeemable Debenture Stock at 98½ met with a good reception. Nevertheless the sharp decline during the later part of January and the equally sharp recovery after Herr Hitler's speech show how susceptible the market is to passing political influences.

Overseas Trade.—Both imports and exports for December, 1938, were rather less than those for the previous month. The decline was partly, but not entirely, due to the fact that December contained one less working day. A similar decline occurred at the end of 1937, but in December, 1936, both imports and exports registered an increase, and so last December's decline was not wholly a seasonal movement.

	Nov., 1937	Dec., 1937	Nov., 1938	Dec., 1938
		£ millions		
Imports	97·3	94·3	78·0	74·1
British Exports ...	45·2	43·9	42·9	39·1
Re-exports ...	5·3	5·0	5·1	4·8
Total Exports ...	50·5	48·9	48·0	43·9
Import Surplus ...	46·8	45·4	30·0	30·2

Comparing the returns for December, 1937 and 1938, there were contractions in the volume of most raw material

imports, and these were particularly marked in the case of cotton, hides and rubber. There were noticeable increases in imports of iron ore and jute. There was a general contraction in the volume of British exports, the chief exceptions being increases in exports of iron and steel scrap, pig-iron and ferro-alloys, worsted yarns and leather.

The following table summarises the complete returns for the past two years :—

Description	1937	1938	Increase (+) or Decrease (–)
	£ mn.	£ mn.	£ mn.
Total Imports	1,027·8	920·4	–107·4
Retained Imports	952·7	858·8	– 93·9
Raw Material Imports	315·2	247·6	– 67·6
Manufactured Goods Imports ...	274·9	233·8	– 41·1
Total Exports, British Goods ...	521·4	470·9	– 50·5
Coal Exports	37·6	37·4	– 0·2
Iron and Steel Exports	48·4	41·6	– 6·8
Cotton Exports	68·5	49·7	– 18·8
British Manufactured Goods Exports	404·6	365·4	– 39·2
Re-exports	75·1	61·6	– 13·5
Total Exports	596·5	532·5	– 64·0
Visible Trade Balance	–431·3	–387·9	+ 43·4

Total imports were £107·4 millions less in value in 1938 than in the previous year; while the value of total exports was £64·0 millions less. Thus the adverse visible trade balance showed an improvement of £43·4 millions. In 1937, however, imports of silver were £10·5 millions in excess of exports, while last year exports of silver were £11·2 millions greater than imports. Thus the adverse trade balance for goods and silver was £441·8 millions in 1937 and £376·7 millions in 1938; and the intervening improvement is £65·1 millions, which is considerably better than the improvement of £43·4 millions for goods alone.

The official analysis of the returns for the two complete years shows that in the aggregate there was a contraction of 5·3 per cent. in the volume of imports. There were increases in volume in 1938 in retained imports of wheat, sugar (unrefined), wool, petroleum, rubber, pig-lead, and tin ore and concentrates. The decline of 10·5 per cent. in the total value of imports was thus partly due to the year's fall of 6·2 per cent. in their average prices. Exports, however, tell a different

story, for the decline of 9·6 per cent. in their value was entirely due to a contraction of 11·2 per cent. in their volume. This contraction was very general, though most marked in the case of textiles, iron and steel and non-ferrous metals. One broad lesson of the 1938 returns is that the improvement in the adverse trade balance is partly due to the fall in the prices of our chief imports.

Commodity Prices.—Wholesale prices in both Great Britain and the United States displayed certain signs of weakness during January. The British index number fell during the month from 118·4 to 116·5 (September, 1931 = 100), and the American index number from 116·4 to 115·7 (September, 1931 = 100). Part of the British decline was due to the New Year reduction in iron and steel prices, but there was a further small decrease after this reduction had taken effect. Markets for certain commodities, such as non-ferrous metals, were overshadowed by the doubts over international politics, which prevailed until the last two days of the month; and business in cotton yarn and cloth suffered for the same reason. On the other hand there is some evidence that prices are less at the mercy of surplus stocks of commodities than they were a year ago. Thus grain prices, which were falling during the whole of last year, became firmer in January. Rubber remained fairly steady, in spite of political doubts, and while stocks were decreasing during the closing months of last year the demand from the American tyre industry remained encouraging. Stocks of copper and tin are not excessive, and in the United States the new copper restriction scheme has been adopted by all the leading producers. Finally, there is a prospect that the supply of jute will not be adequate to meet requirements for the current season. All this suggests that the undertone of many commodity markets is sound.

Both the British official cost-of-living index number and the retail price index number fell by one point during December, the former from 156 to 155 (July, 1914 = 100), and the latter from 139 to 138 (July, 1914 = 100). In each case the decline was a seasonal movement. Compared with January 1st, 1939, the cost-of-living index number has fallen by four points, and the retail food price index number by seven points.

Home Statistics

BANK OF ENGLAND

Issue Department

	Note Circulation	Govt. Debt	Other Govt. Securities	Other Securities	Silver Coin	Fiduciary Issue	Gold
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
End March, 1931	357·1	11·0	232·0	12·9	4·0	260·0	144·5
" " 1932	360·5	11·0	240·9	19·3	3·8	275·0	120·8
" " 1934	378·8	11·0	245·4	0·1	3·5	260·0	191·1
" " 1936	406·5	11·0	246·5	1·5	1·0	260·0	200·6
" " 1937	473·8	11·0	187·0	2·0	—	200·0	313·7
" " 1938	485·4	11·0	188·2	0·8	—	200·0	326·4
Jan. 25, 1939	463·8	11·0	388·6	—	0·3	400·0	126·4
Feb. 1, 1939	471·9	11·0	388·6	0·1	0·3	400·0	126·4

Banking Department

	Public Deposits	Bankers' Deposits	Other Deposits	Govt. Securities	Discounts and Advances	Other Securities	Reserve	Proportion
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	%
End March, 1931	17·2	58·8	34·7	30·3	24·6	25·7	48·3	43·6
" " 1932	27·2	54·6	34·4	35·7	11·7	51·1	35·9	30·9
" " 1934	17·5	94·5	36·9	77·1	5·6	11·0	73·4	49·2
" " 1936	18·0	83·6	37·0	80·3	5·0	16·7	54·9	39·6
" " 1937	52·2	62·3	38·5	100·5	7·1	22·9	40·8	27·7
" " 1938	17·8	108·1	37·4	110·8	8·7	20·2	41·8	25·6
Jan. 25, 1939	12·9	118·2	36·7	82·0	18·8	21·9	63·2	37·6
Feb. 1, 1939	12·3	108·3	37·1	77·9	21·3	21·4	55·2	35·0

LONDON CLEARING BANKS (monthly averages)

	Deposits	Acceptances, Guarantees, etc.	Cash	Balances and Cheques	Call and Short Money	Bills	Investments	Advances
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
March, 1931	1,763·9	121·5	184·0	43·5	114·1	240·4	311·1	936·1
" 1932	1,676·4	98·7	174·0	43·4	112·5	216·8	281·9	902·1
" 1934	1,830·6	112·8	218·9	43·5	120·4	202·1	547·1	753·0
" 1936*	2,108·3	105·2	216·7	53·8	162·4	252·0	635·1	849·2
" 1937*	2,244·2	122·5	225·8	62·7	169·8	247·8	667·4	934·4
" 1938*	2,253·7	112·0	244·2	59·1	150·4	238·6	634·0	995·2
Nov. 1938*	2,248·6	128·7	232·6	58·1	149·0	272·4	642·2	961·7
Dec. 1938*	2,253·9	128·7	243·4	65·9	159·5	250·3	635·0	966·3

* Includes the District Bank.

LONDON BANKERS' CLEARING HOUSE RETURNS

	Town Clearing	Metropolitan Clearing	Country Clearing	Total
	£ mn.	£ mn.	£ mn.	£ mn.
1930	38,782	1,812	2,964	43,558
1931	31,816	1,668	2,752	36,236
1932	27,834	1,610	2,668	32,112
1933	27,715	1,657	2,766	32,138
1934	30,740	1,760	2,984	35,484
1935	32,444	1,887	3,229	37,560
1936	35,039	2,040	3,538	40,617
1937	36,719	2,162	3,805	42,686
1938	33,862	2,075	3,673	39,610
1938 to Feb. 2	3,396	217	367	3,980
1939 to Feb. 1	2,946	192	344	3,482

BANKERS' PROVINCIAL CLEARING RETURNS

	Mar., 1929	Mar., 1932	Mar., 1934	Mar., 1935	Mar., 1936	Mar., 1937	Mar., 1938	Nov., 1938	Dec., 1938
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Birmingham .	11·9	9·0	11·3	9·6	10·7	11·3	10·6	10·2	11·1
Bradford ...	5·9	3·4	4·2	3·8	4·7	4·6	3·6	3·4	3·6
Bristol ...	5·3	4·9	5·4	4·9	5·5	5·5	5·9	5·7	5·1
Hull ...	4·0	3·0	3·2	3·2	3·4	4·0	4·0	3·5	3·4
Leeds ...	4·4	3·8	4·4	4·3	3·9	4·8	4·3	3·8	4·3
Leicester ...	3·6	3·1	3·3	2·8	3·1	3·3	3·3	3·0	3·1
Liverpool ...	34·2	25·6	26·8	25·8	27·5	35·8	24·8	21·9	21·5
Manchester...	58·0	42·5	46·1	42·8	44·9	50·7	44·0	38·5	39·7
Newcastle-on-Tyne ...	6·5	5·7	6·9	5·5	5·7	6·3	6·9	6·7	6·6
Nottingham	2·8	1·9	2·0	2·0	2·1	2·3	2·3	2·0	2·1
Sheffield ...	4·6	3·3	3·6	3·4	4·3	6·0	4·8	4·3	4·8
	141·2	106·2	117·2	108·1	115·8	134·6	114·5	103·0	105·3

LONDON AND NEW YORK MONEY RATES

	London					New York		
	Bank Rate	Treasury Bills: Tender Rate	Treasury Bills: Market Rate	3 Months Bank Bills	Short Loans	F.R.B. Re-discount Rate	Call Money	Accept-ances
	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.	Per cent.
End March, 1931	3	2$\frac{17}{32}$	2$\frac{9}{16}$–2$\frac{5}{8}$	2$\frac{9}{16}$–2$\frac{5}{8}$	2–2$\frac{1}{2}$	2	1$\frac{1}{2}$	1$\frac{5}{8}$
" " 1932	3$\frac{1}{2}$	2$\frac{5}{32}$	1$\frac{7}{8}$	2$\frac{1}{8}$–2$\frac{1}{4}$	2–3	3	2$\frac{1}{2}$	2$\frac{1}{2}$
" " 1934	2	$\frac{29}{32}$	$\frac{7}{8}$	$\frac{15}{16}$	$\frac{3}{4}$–1	1$\frac{1}{2}$	1	$\frac{1}{4}$
" " 1936	2	$\frac{17}{32}$	$\frac{1}{2}$	$\frac{17}{32}$–$\frac{9}{16}$	$\frac{1}{2}$–1	1$\frac{1}{2}$	$\frac{3}{4}$	$\frac{3}{16}$
" " 1937	2	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{9}{16}$	$\frac{1}{2}$–1	1$\frac{1}{2}$	1	$\frac{7}{16}$
" " 1938	2	$\frac{1}{2}$	$\frac{1}{2}$	$\frac{17}{32}$–$\frac{9}{16}$	$\frac{1}{2}$–1	1	1	$\frac{1}{2}$
Jan. 4th, 1939	2	$\frac{11}{16}$	$\frac{9}{16}$	$\frac{9}{16}$	$\frac{1}{2}$–1	1	1	$\frac{1}{2}$
Feb. 1st, 1939	2	$\frac{17}{32}$	$\frac{1}{2}$	$\frac{1}{2}$–$\frac{17}{32}$	$\frac{1}{2}$–1	1	1	$\frac{1}{2}$

FOREIGN EXCHANGES

London on	1937 Feb. 3	1938 Feb. 2	1939 Jan. 4	1939 Jan. 11	1939 Jan. 18	1939 Jan. 25	1939 Feb. 1
New York—							
(a) Spot ...	4·89$\frac{7}{8}$	5·00$\frac{3}{4}$	4·64$\frac{1}{8}$	4·67$\frac{3}{16}$	4·68$\frac{3}{8}$	4·67$\frac{1}{8}$	4·67$\frac{7}{8}$
(b) 3 months	$\frac{3}{8}$–$\frac{5}{8}$c. pm.	$\frac{1}{2}$–$\frac{3}{8}$c. pm.	2$\frac{3}{8}$c. pm.	2c. pm.	1$\frac{7}{16}$c. pm.	1$\frac{7}{16}$c. pm.	1$\frac{1}{2}$c. pm.
Montreal ...	4·89$\frac{7}{8}$	5·00$\frac{5}{8}$	4·68$\frac{1}{8}$	4·71	4·71$\frac{1}{8}$	4·70$\frac{5}{8}$	4·70$\frac{1}{8}$
Paris—							
(a) Spot ...	105$\frac{1}{8}$	152$\frac{29}{32}$	176$\frac{3}{4}$	177$\frac{3}{16}$	177$\frac{7}{32}$	176$\frac{31}{32}$	176$\frac{31}{32}$
(b) 3 months	Fr.2$\frac{15}{16}$ dis.	Fr.6$\frac{1}{8}$ dis.	Fr.$\frac{3}{8}$ dis.	Fr.$\frac{1}{4}$ dis.	Fr.$\frac{3}{4}$ dis.	Fr.$\frac{13}{16}$ dis.	Fr. $\frac{1}{2}$ dis.
Berlin—							
(a) Official ...	12·18	12·41	11·56	11·64$\frac{1}{2}$	11·67$\frac{1}{2}$	11·69	11·65$\frac{1}{2}$
(b) Registered Marks	52% dis.	47$\frac{3}{8}$% dis.	57% dis.	55$\frac{1}{2}$% dis.	58% dis.	62$\frac{1}{2}$% dis.	61% dis.
Amsterdam ...	8·94$\frac{3}{4}$	8·96$\frac{3}{4}$	8·53$\frac{3}{4}$	8·59	8·62$\frac{3}{4}$	8·66$\frac{1}{4}$	8·68$\frac{3}{4}$
Brussels ...	29·05$\frac{3}{4}$	29·57$\frac{1}{2}$	27·52$\frac{1}{2}$	27·65	27·70$\frac{1}{2}$	27·65	27·69
Milan ...	93$\frac{1}{16}$	95$\frac{1}{8}$	88$\frac{1}{4}$	88$\frac{13}{16}$	89	88$\frac{7}{8}$	89
Zurich ...	21·41$\frac{1}{2}$	21·61$\frac{1}{2}$	20·54$\frac{1}{2}$	20·67$\frac{1}{2}$	20·74$\frac{1}{2}$	20·71$\frac{1}{2}$	20·72
Stockholm ...	19·39$\frac{1}{2}$	19·40	19·42	19·42	19·42$\frac{1}{2}$	19·42$\frac{1}{2}$	19·41
Madrid ...	70·50*	90*	150*	200*	200*	200*	200*
Prague ...	140$\frac{3}{8}$	142$\frac{5}{8}$	135$\frac{3}{4}$	136$\frac{1}{4}$	136$\frac{3}{4}$	136$\frac{1}{4}$	136$\frac{1}{2}$
Buenos Aires—							
(a) Export ...	15	15	15	15	15	15	15
(b) Import ...	16·00	16·00	17†	17†	17†	17†	17†
(c) Free ...	16·27	18·13	20·30	20·41	20·44	20·35	20·39
Rio de Janeiro— Prov. Deposit Rate	85$500	83$100	85$000	85$800	86$000	85$900	85$600
Valparaiso ...	131$\frac{1}{2}$	125·28*	116*	116*	117*	117*	117*
Bombay ...	18$\frac{1}{8}$d.	18$\frac{1}{8}$d.	17$\frac{15}{16}$d.	17$\frac{15}{16}$d.	17$\frac{15}{16}$d.	17$\frac{15}{16}$d.	17$\frac{15}{16}$d.
Hong Kong ...	14$\frac{15}{16}$d.	15d.	14$\frac{15}{16}$d.	14$\frac{15}{16}$d.	14$\frac{15}{16}$d.	14$\frac{15}{16}$d.	14$\frac{15}{16}$d.
Kobe ...	1/1$\frac{31}{32}$	1/2	1/2	1/2	1/2	1/2	1/2
Shanghai ...	14$\frac{5}{8}$d.	14$\frac{1}{4}$d.	8$\frac{1}{2}$d.	8$\frac{1}{2}$d.	8$\frac{3}{8}$d.	8$\frac{1}{2}$d.	8$\frac{3}{8}$d.
Gold price ...	141s. 11d.	139s. 9d.	150s. 5d.	148s. 10d.	148s. 7$\frac{1}{2}$d.	148s. 8$\frac{1}{2}$d.	148s. 7$\frac{1}{2}$d.
Silver price ...	20$\frac{1}{16}$d.	20$\frac{3}{16}$d.	20$\frac{1}{16}$d.	20$\frac{5}{16}$d.	20$\frac{1}{8}$d.	20$\frac{3}{16}$d.	19$\frac{15}{16}$d.

* Nominal.

† Plus $\frac{3}{4}$ per cent. commission charged by the Central Bank, making the effective rate 17·13.

PUBLIC REVENUE AND EXPENDITURE

	1934–5	1935–6	1936–7	1937–8	1937–8 to Jan. 29	1938–9 to Jan. 28
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
REVENUE—						
Income Tax	228·9	238·1	257·2	298·0	159·0	174·8
Sur-Tax	51·2	51·0	53·6	57·1	26·6	29·2
Estate Duties...	81·3	87·9	88·0	89·0	74·2	62·1
Stamps	24·1	25·8	29·1	24·2	17·7	16·9
National Defence Contribution	—	—	—	1·4	0·2	15·5
Customs	185·1	196·6	211·3	221·6	184·5	186·0
Excise	104·6	106·7	109·5	113·7	97·2	97·0
Motor Vehicle Duties (Exchequer Share) ...	5·1	5·0	32·7*	34·6*	33·2*	34·2*
Other Tax Revenue... ...	3·1	2·1	1·7	1·7	0·9	1·0
Total Tax Revenue	683·4	713·2	783·1	841·3	593·5	616·7
Post Office (Net Receipts) ...	12·2	11·7	11·0	10·5	11·6	9·7
Crown Lands...	1·3	1·4	1·4	1·3	1·2	1·2
Receipts from Sundry Loans	4·4	4·9	4·5	5·2	5·1	5·6
Miscellaneous Receipts ...	15·1	21·7	24·6	13·5	11·4	10·0
Total Non-Tax Revenue ...	33·0	39·7	41·6	31·3	29·3	26·5
Total Ordinary Revenue ...	716·4	752·9	824·7	872·6	622·8	643·2
Post Office	61·8	66·1	71·9	76·1	61·0	64·2
Road Fund	26·4	25·8	—	—	—	—
Total Self-balancing Revenue...	88·2	91·9	71·9	76·1	61·0	64·2
EXPENDITURE—						
National Debt Interest ...	211·6	211·5	210·9	216·2	194·4	196·8
Payments to N. Ireland ...	6·8	7·2	8·0	8·9	5·9	6·6
Other Cons. Fund Services...	3·6	5·7	3·2	3·1	2·9	4·5
Post Office Fund	2·3	1·1	0·4	—	—	—
Supply Services	472·2	512·0	594·7*	605·0*	512·1	596·4
Total Ordinary Expenditure ...	696·5	737·5	817·2	833·2	715·3	804·3
Sinking Fund	12·3	12·5	13·1	10·5	—	—
Self-balancing Expenditure (as per contra)	88·2	91·9	71·9	76·1	61·0	64·2

* Motor Vehicle Duties apportioned to Road Fund, treated as self-balancing in 1936–37 now added to Revenue and Expenditure figures for purposes of comparison.

PRODUCTION

	Coal	Pig-Iron	Steel
	Tons mill.	Tons thous.	Tons thous.
Total 1913	287·4	10,260	7,664
„ 1925	243·2	6,262	7,385
„ 1929	257·9	7,589	9,636
„ 1930	243·9	6,192	7,326
„ 1931	219·5	3,773	5,203
„ 1932	208·7	3,574	5,261
„ 1933	207·1	4,136	7,024
„ 1934	221·0	5,969	8,850
„ 1935	222·9	6,426	9,842
„ 1936	228·5	7,686	11,705
„ 1937	241·2	8,497	12,964
„ 1938	228·1	6,763	10,394

BOARD OF TRADE PRODUCTION INDEX NUMBER *
(1930 = 100)

	Complete Year		1937		1938		
	1936	1937	3rd Qr.	4th Qr.	1st Qr.	2nd Qr.	3rd Qr.
Mines and Quarries	94·4	99·8	95·6	103·9	104·0	89·3	86·0
Iron and Steel	150·1	166·6	165·5	177·3	168·4	131·6	106·3
Non-Ferrous Metals	143·8	165·3	173·7	166·2	153·3	147·4	142·8
Engineering and Shipbuilding	123·3	136·3	134·9	135·3	132·7	128·8	122·4
Building Materials and Building	157·1	153·2	160·3	148·3	146·1	152·5	148·7
Textiles	126·4	129·6	127·5	125·8	116·9	106·4	106·6
Chemicals, Oils, etc.	115·4	124·5	123·8	125·5	123·5	115·0	113·5
Leather and Boots and Shoes...	114·4	111·9	110·6	108·4	111·6	102·2	97·9
Food, Drink and Tobacco ...	114·5	119·9	120·3	123·2	116·0	123·5	123·0
Total†	124·4	132·8	130·1	136·4	132·1	121·7	116·5

* Revised quarterly by the Board of Trade.
† Includes paper and printing, gas and electricity, rubber, cement and tiles.

UNEMPLOYMENT

(a) Percentage of Insured Workers

Date	1929	1931	1932	1934	1935	1936	1937	1938
End of—								
January	12·3	21·5	22·4	18·6	17·6	16·2	12·4	13·2*
February	12·1	21·7	22·0	18·1	17·5	15·3	12·0	13·1*
March	10·0	21·5	20·8	17·2	16·4	14·2	11·6	12·7*
April	9·8	20·9	21·4	16·6	15·6	13·6	10·5	12·7*
May	9·7	20·8	22·1	16·2	15·5	12·8	10·7	12·8*
June	9·6	21·2	22·2	16·4	15·4	12·8	10·0	13·2*
July	9·7	22·0	22·8	16·7	15·3	12·4	10·1	12·9*
August	9·9	22·0	23·0	15·5	14·9	12·0	9·9	12·6*
September	10·0	22·6	22·8	16·1	15·0	12·1	9·7	12·8*
October	10·3	21·9	21·9	16·3	14·5	12·0	10·1*	12·7*
November	10·9	21·4	22·2	16·3	14·5	12·0	10·9*	13·0*
December	11·0	20·9	21·7	16·0	14·1	12·0	12·1*	12·9*

* New Basis.

(b) Actual Numbers Employed and Unemployed (in thousands)

	Mar., 1932	Mar., 1935	Mar., 1936	Mar., 1937	Nov., 1937	Mar., 1938	Nov., 1938	Dec., 1938
Number employed ...	9,549	10,200	10,689	11,310	11,573	11,399	11,428	11,452
Wholly unemployed...	2,129	1,727	1,551	1,330	1,227	1,356	1,456	1,474
Temporarily stopped	427	324	240	170	222	338	305	295
Normally in casual employment ...	104	92	88	76	57	70	67	63
Total unemployed ...	2,660	2,143	1,879	1,576	1,506	1,764	1,828	1,831

RAILWAY TRAFFIC RECEIPTS

	Year				Aggregate for 4 weeks			
	1937		1938		1938		1939	
	Passengers	Goods	Passengers	Goods	Passengers	Goods	Passengers	Goods
	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
Great Western ...	11·5	16·3	11·4	15·1	0·7	1·3	0·7	1·1
London & North Eastern*	17·6	31·0	17·5	28·7	1·0	2·4	1·0	2·1
London Midland & Scottish	26·9	39·5	26·9	36·3	1·5	3·1	1·5	2·8
Southern	16·9	4·9	16·9	4·7	1·0	0·4	1·0	0·4
Total...	72·9	91·7	72·7	84·8	4·2	7·2	4·2	6·4

* The London & North Eastern Railway Returns are made up a day earlier each week than the other lines.

RETAIL TRADE

(from the Board of Trade Journal)

Change in value since same date in previous year

	Dec., 1935	Dec., 1936	Dec., 1937	Nov., 1938	Dec., 1938
By CATEGORIES : Great Britain	%	%	%	%	%
Total	+ 9·1	+ 5·5	+ 8·3	− 1·3	+ 1·9
Food and Perishables	+10·1	+ 7·2	+10·0	+ 0·2	+ 1·8
Other Merchandise	+ 8·1	+ 4·0	+ 6·8	− 2·9	+ 1·9
of which Piece-goods*	+ 1·3	+ 0·9	+ 1·3	− 6·2	− 6·0
(i) Household Goods ...	+ 4·4	+ 1·5	+ 0·7	− 8·5	− 3·6
(ii) Dress Materials	− 1·7	+ 0·4	+ 0·9	− 4·9	− 8·8
Women's Wear*	+ 8·0	+ 5·5	+ 9·3	− 1·5	+ 5·6
(i) Fashion Departments ...	+ 8·8	+ 9·9	+15·6	+ 1·7	+12·2
(ii) Girls' and Children's Wear	+ 4·7	+ 5·1	+10·2	− 3·7	+ 4·1
(iii) Fancy Drapery	+ 8·2	+ 3·2	+ 5·5	− 4·7	+ 0·8
Men's and Boys' Wear ...	+13·5	+ 2·9	+ 5·3	− 7·3	+ 2·9
Boots and Shoes	+ 5·2	+ 7·7	+12·7	+ 2·6	+ 5·4
Furnishing Departments ...	+ 2·2	+ 4·7	Nil	− 3·6	− 0·7
Hardware	+ 8·4	− 1·9	− 0·2	− 6·3	− 2·7
Fancy Goods	+ 4·7	+ 0·4	+ 5·5	− 2·4	− 1·8
Sports and Travel	+ 6·4	+ 4·2	+ 4·3	− 1·4	− 1·2
Miscellaneous and Unallocated	+17·7	+ 6·5	+ 9·0	− 2·7	− 2·4
By AREAS—					
All Categories—					
Scotland	+ 7·0	+ 3·8	+ 7·6	+ 2·5	+ 4·5
North-East	—	—	+ 9·0	− 0·7	+ 2·7
North-West	—	—	+ 8·8	− 0·8	+ 2·1
Midlands & South Wales ...	—	—	+12·3	− 0·2	+ 3·2
South of England	+10·9	+ 6·6	+ 9·3	− 0·5	+ 3·0
London, Central & West End	+ 9·0	+ 1·7	− 0·9	− 7·2	− 7·4
London, Suburban	+ 8·6	+ 7·4	+10·4	− 2·1	+ 3·0

* Including some goods which cannot be allocated to sub-headings.

OVERSEAS TRADE

Date	Imports				Exports			
	Food	Raw Materials	Manufactured Goods	Total	Food	Raw Materials	Manufactured Goods	Total
Monthly Average—	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.	£ mn.
1929	44·6	28·3	27·9	101·7	4·6	6·6	47·8	60·8
1930	39·6	20·9	25·6	87·0	5·3	5·3	36·7	47·6
1931	34·7	14·4	21·8	71·8	3·0	3·9	24·3	32·6
1932	31·1	13·7	13·1	58·5	2·7	3·6	23·0	30·4
1933	28·3	15·0	12·6	56·3	2·4	3·8	23·4	30·6
1934	28·9	17·5	14·3	61·0	2·5	4·0	25·4	33·0
1935	29·6	17·7	15·4	63·0	2·6	4·4	27·4	35·5
1936	31·9	20·7	17·7	70·7	3·0	4·3	28·4	36·7
1937	36·0	26·3	22·9	85·7	3·2	5·4	33·7	43·5
1938	35·9	20·6	19·5	76·7	3·0	4·7	30·4	39·2
Dec., 1937	42·8	27·3	23·3	94·3	3·5	4·9	33·3	43·9
Dec., 1938	35·4	19·8	17·8	74·1	3·0	4·6	29·4	39·1

SOME LEADING IMPORTS

	Wheat	Iron Ore and Scrap	Raw Cotton	Raw Wool	Hides, Wet and Dry	Wood Pulp	Rubber	Iron and Steel Manufactures
Monthly Average—	(thous. cwts.)	(thous. tons)	(thous. centals of 100 lbs.)	(thous. centals of 100 lbs.)	(thous. cwts.)	(thous. tons)	(thous. centals of 100 lbs.)	(thous. tons)
1929	9,314	480	1,283	678	98	137	330	235
1930	8,731	363	1,011	652	108	128	326	243
1931	9,952	185	989	707	106	122	237	237
1932	8,803	159	1,048	765	105	153	176	133
1933	9,366	234	1,169	793	120	162	189	81
1934	8,552	392	1,052	657	116	187	395	114
1935	8,435	415	1,060	720	141	185	325	96
1936	8,401	587	1,289	762	157	198	116	124
1937	8,074	669	1,382	653	157	149	254	170
1938	8,471	497	1,006	735	124	135	314	112
Dec., 1937	8,079	888	2,062	654	205	178	281	288
Dec., 1938	7,650	270	970	830	114	146	189	52

SOME LEADING EXPORTS

Date	Coal	Iron and Steel	Machinery	Cotton Yarns	Cotton Piece-Goods	Woollen Tissues	Worsted Tissues	Motor Cars
Monthly Average—	(thous. tons)	(thous. tons)	(thous. tons)	(mill. lbs.)	(mill. sq. yds.)	(thous. sq. yds.)	(thous. sq. yds.)	(number)
1929	5,022	365	47	11·8	306	9,016	3,490	1,991
1930	4,573	263	40	11·1	201	6,587	2,893	1,602
1931	3,563	165	27	11·4	143	4,694	2,479	1,429
1932	3,242	157	25	13·9	183	4,461	2,358	2,246
1933	3,256	160	23	15·8	169	5,110	2,741	2,821
1934	3,305	188	28	10·9	166	5,745	2,772	2,904
1935	3,226	193	32	11·8	162	5,934	3,205	3,659
1936	2,878	184	32	12·6	160	6,523	3,304	4,268
1937	3,363	215	37	13·3	160	6,653	3,583	4,468
1938	2,988	160	38	10·2	115	4,910	2,631	3,677
Dec., 1937	3,088	197	41	11·0	141	5,990	3,438	5,697
Dec., 1938	2,769	162	39	9·6	108	4,597	2,317	3,547

PRICES

1. WHOLESALE PRICES

Date	Index Number (Sept. 16th, 1931 = 100)				
	U.K.	U.S.A.	France	Italy	Germany
Average 1929	150·9	139·4	141·3	146·0	126·1
1932	103·5	89·3	92·0	93·1	88·7
1933	103·5	93·7	87·7	86·6	85·7
1934	106·4	111·1	83·1	84·2	90·4
1935	108·1	120·3	78·4	97·2	93·5
1936	116·2	121·4	90·6	112·5	95·6
1937	134·6	131·5	127·0	133·3	97·3
1938	121·5	117·7	144·2	143·3	97·1
End Dec., 1937 ...	128·1	120·5	135·4	143·9	96·9
„ Jan., 1938 ...	127·1	120·5	138·3	143·5	96·9
„ Dec., 1938 ...	118·4	116·4	150·5	144·2	97·8
„ Jan., 1939 ...	116·5	115·7	152·8	144·9	98·0

Sources: U.K., "Financial Times"; U.S.A., Irving Fisher; France, Statistique Générale; Italy, Italian Chamber of Commerce; Germany, Statistiche Reichsamt.

2. RETAIL PRICES (cost of living)

Date	Food	Rent (including Rates)	Clothing	Fuel and Light	Other Items included	All Items included
End of 1929 ...	57	52	115	75	80	66
1931 ...	31	54	90	75	75	47
1932 ...	23	55	85	70–75	70–75	42
1933 ...	24	56	85	70–75	70–75	42
1934 ...	25	56	85–90	70–75	70–75	44
1935 ...	31	58	85	75	70	47
1936 ...	36	59	90–95	75–80	70	51
1937 ...	45	59	90–110	80–85	75	59
End Dec., 1937 ...	45	59	110	80–85	75	59
„ Nov., 1938 ...	39	61	105–110	80–85	75	56
„ Dec., 1938 ...	38	61	105–110	80–85	75	55

The figures represent the percentage increase above July, 1914, which is equal to 100.

3. COMMODITY PRICES (average for month)

Date	Wheat No. 1 N. Manitoba	Sugar Centrifugals U.K.	Cotton American Middling	Wool 64's tops avge.	Pig-Iron Cleveland No. 3	Tin, Standard Cash	Rubber Plantation Sheet
	per qr. s. d.	per cwt. s. d.	per lb. d.	per lb. d.	per ton s. d.	per ton £	per lb. d.
Average 1929 ...	54 0¾	9 0½	10·29	38⅞	70 4¼	203 15/16	10¼
1932 ...	30 6¼	5 9½	5·29	22 1/16	58 6	136 3/32	2 5/16
1933 ...	28 2	5 4	5·53	28 5/16	62 3	194 13/16	3¼
1934 ...	30 11	4 8⅛	5·66	30 21/32	66 10½	230	6 3/16
1935 ...	34 3⅛	4 8	6·69	28	67 10	225 19/32	5 21/32
1936 ...	38 0	4 8¾	6·67	32 13/16	73 0	204 19/32	7 21/32
1937 ...	53 11½	6 4¾	6·37	35 9/16	91 10	243 7/8	9½
1938 ...	43 2	5 5	4·92	26	109 0	189⅝	7 3/16
Jan., 1938 ...	59 6	6 1	4·93	27 1/16	109 0	185 27/32	7⅛
Dec., 1938 ...	28 5¼	6 1¼	5·10	25	109 0	214 11/16	8
Jan., 1939 ...	29 2	6 4	5·20	25	99 0	216 1/16	8

Overseas Statistics

AUSTRALIA

	1934*	1935*	1936*	1937*	Oct., 1937	Nov., 1937	Oct., 1938	Nov., 1938
Wool (million lbs.)	1015·4	971·0	976·7	1015·0	—	—	—	–
Wheat (million bushels)	133·4	144·2	150·5	188·4	—	—	—	–
Imports (£A millions)	90·7	104·7	113·5	140·7	11·6	10·4	12·1	9·6
Exports (£A millions)	103·2	123·9	147·7	154·0	12·4	12·9	15·4	13.7
Trade Union Unemployment Returns (Commonwealth)	18·9%	14·0%	10·6%	8·5%	—	8·2%	—	–
Wholesale Prices (Sydney Price Index Base 1911 = 100)	147	156	163	166	170	166	166	162
Cost of Living (Commonwealth Statistician Food & Groceries Base 1923–27 = 100)	79·1	80·9	85·0	85·9	86·6	85·9	89·8	89·0
Note Circulation (£A millions) † ...	47·1	47·6	47·4	48·2	48·8	49·3	48·0	48·0
Commercial Bank Deposits (£A millions) ‡	293·4	289·0	286·9	308·4	309·7	314·2	315·3	316·4
Commercial Bank Advances £A millions) ‡	235·8	252·0	261·2	259·2	271·7	272·7	291·8	289·7

* The figures relate to the years ending June 30th, 1935, 1936, 1937 and 1938 respectively.
† Monthly average.
‡ Average of weekly figures.

CANADA

	1934	1935	1936	1937	Oct., 1937	Nov., 1937	Oct., 1938	Nov., 1938
Industrial Production:—								
General Index (1926 = 100)	93·6*	103·6*	114·4*	126·8	132·6	133·5	121·1	128·3
Newsprint (thousands) (short tons) ...	2,605	2,765	3,225	3,638	314·6	302·9	254·9	245·3
Steel (thousands) (long tons)	758	942	1,116	1,401	114·5	110·7	76·3	90·1
Automobiles and Trucks (thousands) ...	117	173	162	207	8·1	16·6	5·8	18·0
Imports ($ millions)	513·5	550·3	635·2	808·9	82·1	80 6	63·9	63·3
Exports ($ millions)	765·7	838·3	1027·9	1114·5	103·7	107·8	102·7	94·2
Employment Index (1926 = 100) ...	96·0*	99·4*	103·7*	114·2*	119·6	119·8	111·0	109·7
Wholesale Prices (1926 = 100)	71·6*	72·1*	74·6*	84·6*	84·7	83 1	74·1	73·5
Cost of Living (1926 = 100)	78·9*	79·3*	80·8*	83·0*	84·2	84·2	83·8	83·7
Gold Reserve—Bank of Canada† ($ mill.)	—	154·6	179·7	182·0	179·5	179·9	181·3	181·2
Note Circulation:—								
Bank of Canada† ($ millions) ...	—	48·9	64·0	90·6	105·6	105·2	118·4	116·4
Chartered Bank Deposits ($ millions) ...	2,317	2,476	2,668	2,840	2,821	2,825	2,961	3,004

* Monthly averages.
† Bank of Canada established March, 1935.

INDIA

	1934	1935	1936	1937	Nov., 1937	Dec., 1937	Nov., 1938	Dec., 1938
Imports (lakhs of rupees)*	10,57	11,33	10,37	13,73	15,80	14,33	13,38	12,61
Exports (lakhs of rupees)*	12,61	13,39	15,44	17,52	15,04	13,90	15,34	14,77
Gold—Net Imports (−) or Net Exports (+) (lakhs of rupees)*...	+4,97	+3,60	+2,66	+1,36	+1,11	+1,58	+0,64	−0,06
Silver—Net Imports (−) or Net Exports (+) (lakhs of rupees)*...	+0,12	+0,25	−1,10	−0,53	+0,3	+0,08	+0,03	+0,07
Wholesale Prices (Calcutta, 1914 = 100)	89·0	91·0	91·0	102·0	103·0	101·0	95·0	95·0
Cotton† :—								
Official Crop Estimate (thousand bales)	5,068	4,807	5,933	6,204‡	—	—	—	—
Exports of Raw Cotton (thousand bales)	2,729	3,446	3,396	4,267‡	—	—	—	—
Piece Goods :—								
Home Production (yds. mill.) ...	4,381	4,853	5,227	5,064	—	—	—	—
Imports (yds. mill.)	761	944	947	764	—	—	—	—
Exports (yds. mill.)	56	58	71	102	—	—	—	—

* Monthly averages for the years 1934–37 inclusive.
† These statistics cover the seasons 1933–34, 1934–35, 1935–36 and 1936–37.
‡ For 1937–38 the official crop estimate is 5,663,000 bales and exports of raw cotton 2,731,590 bales. Home production of piece-goods was 4,084 million yards, and imports 591 million yards.
Note.—One lakh of rupees equals approximately £7,500. One crore equals 100 lakhs.

Imports and Home Production of Piece-goods

	(million yards) 1913–14	1937–38
Imports from—		
United Kingdom	3,068	267
Japan	9	308
Other Countries	82	16
Total	3,159	591
Indian Mills Production	1,164	4,084
Total	4,323	4,675

NEW ZEALAND

	1934*	1935*	1936*	1937*	Oct., 1937	Nov., 1937	Oct., 1938	Nov., 1938
Imports† (£ N.Z. thous.)	2,865	3,341	4,282	4,776	4,623	4,947	4,270	4,783
Exports† (£ N.Z. thous.)	3,610	4,594	5,397	5,073	2,903	4,109	2,165	4,386
Net Overseas Funds of New Zealand Banks (end July each year, £ N.Z. mill.)	39·0	43·2	43·2	34·9	28·0	24·7	11·9	7·9
Wholesale Prices (1909–13 = 100) ...	133·0	138·5	139·9	150·0	152·9	156·4	151·0	151.8
Import Prices (1909–13 = 100)	134·5	132·2	133·2	140·2	142·0	142·4	—	—
Export Prices (1909–13 = 100)	110·9	110·2	125·0	144·0	148·6	156·3	135·4	137·7
Cost of Living (July, 1914 = 100) ...	128·7	133·3	137·6	147·0	146·3	150·8	—	—

* Monthly average.
† The figures relate to the years ended July, 1935, 1936, 1937 and 1938.

THE UNITED STATES

	1934	1935	1936	1937	Oct., 1937	Nov., 1937	Oct., 1938	Nov., 1938
Industrial Production (1923–25 = 100)...	79	90	105	110	101	85	95	103
Automobile Production (1923–25 = 100)	69	99	112	121	142	92	84	96
Freight Carloadings (1923–25 = 100) ...	62	64	75	78	76	71	68	69
Imports ($ millions)	137·9	170·6	201·9	257·0	226·5	212·4	178·0	176·0
Exports ($ millions)	177·7	190·2	204·7	278·7	329·8	311·2	277·9	252·0
Employment in Manufacturing Industries (1923–25 = 100)	85·7	91·3	97·8	105·8	105·1	100·6	87·5	90·1
Wholesale Prices (1926 = 100)	74·9	80·0	80·8	86·3	85·4	83·3	77·6	77·5
Monetary Gold Stock ($ millions) ...	7,512	9,059	10,578	12,158	12,803	12,774	14,065	14,312
Money in Circulation ($ millions) ...	5,403	5,585	6,101	6,474	6,566	6,561	6,700	6,787
Reporting Member Banks, Demand Deposits (adjusted) ($ millions) ...	—	12,821	14,701	15,036	14,610	14,612	15,995	16,013

BELGIUM

	1934*	1935*	1936*	1937*	Nov., 1937	Dec., 1937	Nov., 1938	Dec., 1938
Industrial Production :—								
General Index (1923–25 = 100) ...	91·7	99·9	108·1	120·7	117·0	112	109·3	—
Coal (thousand tons)	2,200	2,207	2,314	2,473	2,481	2,582	2,531	—
Steel (crude) (thousand tons)	241	247	259	315	308	258	213	—
Total Imports (value Frs. millions) ...	1,168	1,417	1,758	2,271	2,285	2,354	1,839	—
Total Exports (value Frs. millions) ...	1,141	1,317	1,643	2,116	1,962	2,095	1,920	—
Employment Index (1929 = 100) ...	78·3	79·9	85·3	88·5	87·2	83	—	—
Wholesale Prices (1914 = 100)	473	537	588	684	663	659	610	607
Cost of Living (1921 = 100)	197	188	198	212	220·1	220·1	221·7	220·5
Gold Reserves (Frs. millions)	12,525	17,285	18,685	17,610	16,810	17,610	17,230	17,140
Note Circulation (Frs. millions)... ...	17,590	20,640	22,450	21,460	21,355	21,460	22,251	21,990

* Monthly averages.

FRANCE

	1934*	1935*	1936*	1937*	Nov., 1937	Dec., 1937	Nov., 1938	Dec., 1938
Industrial Production :—								
Coal (tons thousand)	3,969	3,851	3,770	3,693	4,072	4,161	4,188	—
Steel (tons thousand)...	512	522	559	658	673	676	534	—
Imports (Frs. millions)	1,925	1,745	2,118	3,526	3,931	4,539	3,871	4,214
Exports (Frs. millions)	1,487	1,289	1,291	1,995	2,382	2,346	3,059	3,292
Unemployed (thousands)	345	426	434	351	333	358	367	405
Wholesale Prices (1913 = 100)... ...	—	338	411	581	621	631	674	684
Cost of Living (Paris, July, 1914=100)	—	423	470	601	645	659	727	742
Gold Reserves (Frs. millions)†... ...	82,124	66,296	60,359	58,933	58,932	58,933	87,264	87,265
Note Circulation (Frs. millions)† ...	83,412	81,150	89,342	93,837	90,131	93,837	106,798	110,935

* Monthly averages. † End of year.

HOLLAND

	1934*	1935*	1936*	1937*	Nov., 1937	Dec., 1937	Nov., 1938	Dec., 1938
Industrial Production :—								
General Index (1929 = 100)	78·4	75·4	83·2	106·6	92·8	99·4	102·4	109·6
Imports (Fl. millions)	86·5	78·0	84·7	129·2	130·3	126·8	118·7	116·8
Exports (Fl. millions)	59·3	56·3	62·2	95·7	97·9	98·1	92·1	82·1
Unemployed (thousands)	332·8	384·7	414·5	368·9	385·9	437·5	355·4	—
Shipping :—								
Entered in 1,000 tons G.R.T. ...	1,742	1,645	1,771	1,945	1,925	1,959	3,808	—
Cleared in 1,000 tons G.R.T. ...	1,193	1,268	1,357	1,517	1,458	1,581	2,579	—
Wholesale Prices (1926–30 = 100) ...	63·0	61·5	63·8	76·2	76·3	75·6	70·2	70·6
Cost of Living (1911–13 = 100) at Amsterdam	140·1	136·2	132·0	137·3	139·7	139·4	137·4	138·3
Gold Stock (Fl. millions)	842†	643†	720†	1,366†	1,382	1,366	1,481	1,461
Note Circulation (Fl. millions)	912†	809†	792†	868†	887	868	1,005	992

*Monthly average. † End of year.

GERMANY

	1934*	1935*	1936*	1937*	Nov., 1937	Dec., 1937	Nov., 1938	Dec., 1938
Industrial Production :—								
General Index (1928 = 100) ...	80·9	95·3	107·8	118·8	127·2	121·7	135·8	—
Coal (million tons)	10·4	11·9	13·2	15·4	16·0	16·2	15·7	—
Lignite (million tons)	11·4	12·3	13·5	15·4	16·4	17·0	17·4	—
Steel (thousand tons)	993	1,371	1,601	1,654	1,791	1,765	2,032	—
Imports (Rm. millions)	371	347	351	456	483	531	522	542
Exports (Rm. millions)	347	356	397	493	533	552	453	504
Employment (thousands)	15,041†	15,949†	17,097	18,354	18,964	18,109	20,236	—
Wholesale Prices (1913 = 100) ...	98·4	101·8	104·1	105·9	104·7	104·6	106·1	106·3
Cost of Living (1913–14 = 100) ...	121·1	123·0	124·5	125·1	124·9	124·8	125·0	125·3
Money in Circulation (Rm. millions)‡	5,972	6,389	6,694	7,499	7,177	7,499	9,844§	10,404

* Monthly average.
† Saar excluded.
‡ End of year.
§ Includes Austria and Sudetenland.

SWITZERLAND

	1934	1935	1936	1937	Nov., 1937	Dec., 1937	Nov., 1938	Dec., 1938
Imports (Fr. millions)	118·0*	104·9*	105·4*	150·3*	143·8	163·9	130·3	151·6
Exports (Fr. millions)	68·7*	66·2*	71·2*	107·2*	131·1	122·7	126·0	124·4
Wholly unemployed (per cent. of total population)	1·6	2·0	2·3	1·7	1·7	2·1	1·6	2·2
Wholesale Prices (1914 = 100)	89·8	89·8	95·5	111·2	109·6	109·6	106·0	106·1
Cost of Living (1914 = 100)	129·0	128·0	130·0	137·0	138·0	138·0	137·0	137·0
Gold Reserves (Fr. millions)	1,910	1,389	2,709	2,679	2,663	2,679	2,880	2,890
Note Circulation (Fr. millions)	1,440	1,366	1,482	1,531	1,453	1,531	1,647	1,751
Commercial Bank Deposits (Fr. millions)	3,358	2,693	3,150	3,277	—	3,227	—	—
Cantonal Bank Deposits (Fr. millions)...	6,294	6,134	6,260	6,421	6,380	6,421	6,213	—

* Monthly average.

DENMARK

	1934*	1935*	1936*	1937*	Nov., 1937	Dec., 1937	Nov., 1938	Dec., 1938
Industrial Production:—								
General Index (1935 = 100)	94·0	100·0	104·0	109·0	105·0	104·0	110·0	109·0
Imports (Kr. millions)	112·8	110·8	123·7	139·1	135·4	134·7	150·8	126·5
Exports (Kr. millions)	102·5	105·6	115·0	130·7	140·2	141·4	125·1	132·4
Unemployed (per cent.)	22·1	19·7	19·3	21·9	23·5	34·6	22·6	31·6
Wholesale Prices (1935 = 100):—								
Import Goods	98·0	100·0	108·0	129·0	128·0	126·0	111·0	111·0
Export Goods	91·0	100·0	106·0	110·0	120·0	123·0	111·0	115·0
Total	98·0	100·0	105·0	119·0	121·0	120·0	110·0	110·0
Cost of Living (1935 = 100)	97·0	100·0	102·0	105·0	—	—	—	—
Gold Reserves (Kr. millions)	133·1	126·8	118·0	117·9	117·8	117·8	117·6	117·6
Note Circulation (Kr. millions)	367·3	372·9	381·9	388·3	391·7	417·1	414·3	441·1
Commercial Banks' Deposits (Kr. millions)	2,000	2,054	2,100	2,132	2,189	2,207	2,277	2,305

* Monthly average.

NORWAY

	1934*	1935*	1936*	1937*	Nov., 1937	Dec., 1937	Nov., 1938	Dec., 1938
Industrial Production:—								
General Index (1935 = 100)	96	100	111	122	136	121	129	—
Export Industries (1935 = 100) ...	98	100	110	115	137	123	115	—
Home Industries (1935 = 100) ...	95	100	111	126	136	121	137	—
Imports (in millions of Kr.)	61·4	58·8	77·2	107·7	132·2	99·4	107·4	93·0
Exports (in millions of Kr.)	48·2	50·4	57·1	68·6	80·2	86·2	65·4	86·0
Unemployed	35,121	36,103	32,643	28,520	32,249	33,906	33,861	34,873
Idle Shipping (in thousands of tons dead-weight. Beginning of year and month)	672	313	69	26	Nil	Nil	259†	Nil
Wholesale Prices (1913 = 100)	124	127	134	156	160	158	150	150
Cost of Living (1914 = 100)	148	151	155	168	171	171	170	170
Gold Reserves (Kr. mill., end of year) ...	135	185	215	180	189	180	210	206
Note Circulation (Kr. mill., end of year)	333	348	429	449	422	449	448	477

* Monthly averages. † 395,000 tons, beginning of January, 1939.

SWEDEN

	1934*	1935*	1936*	1937*	Nov., 1937	Dec., 1937	Nov., 1938	Dec., 1938
Industrial Production:— (1935 = 100)† ...	91	100	108	119	123	122	115	—
Steel Production (in thous. of metric tons)	73	77	84	94	97	95	94	—
Imports (millions of Kr.)	108·7	123	136	178	193	184	198	190
Exports (millions of Kr.)	108·5	108	126·2	166·7	186	198	172	167
Unemployed (thousands)	80·0	80·8	68·7	66·3	63	91	—	—
Wholesale Prices (1913 = 100)‡	113·8	118·6	127·7	148·1	144·7	144·8	135·1	135·8
Cost of Living§ (1914 = 100)	155	156	158	162	165	—	167	—
Gold Reserves (Kr. mill., end of year)	351	408	529	539	538	539	707	707
Note Circulation (Kr. mill., end of year)	708	786	893	980	893	980	982	1,061
Timber Exports (thousands of cub. metres)	277	300	334	353	459	330	481	387
Wood Pulp Exports (in metric tons) ...	167	175	190	213	213·4	275·7	194·9	257·7

* Monthly average. † Association of Swedish Industries. ‡ Svenska Handelsbanken.

§ Royal Social Board, Quarterly figure. Index for January published Feb. 15th; for April, May 15th, etc.

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